ABSTRACT

A system and method for administering an investment contract between at least two investors. Initially, the investment contract is associated with a first investor. The contract is based on at least one underlying commodity, however, the first investor does not hold the underlying commodity or agree to buy or sell the underlying commodity. The system matches the contract with a second investor thereby creating an active contract. The second investor does not hold the underlying commodity or agree to buy or sell the underlying commodity. The system temporarily holds the first and second investor funds associated with the contract, and pays off one of the first and second investor upon expiration of the contract. Contract expiration is based on either a deviation from a target price or a time horizon.